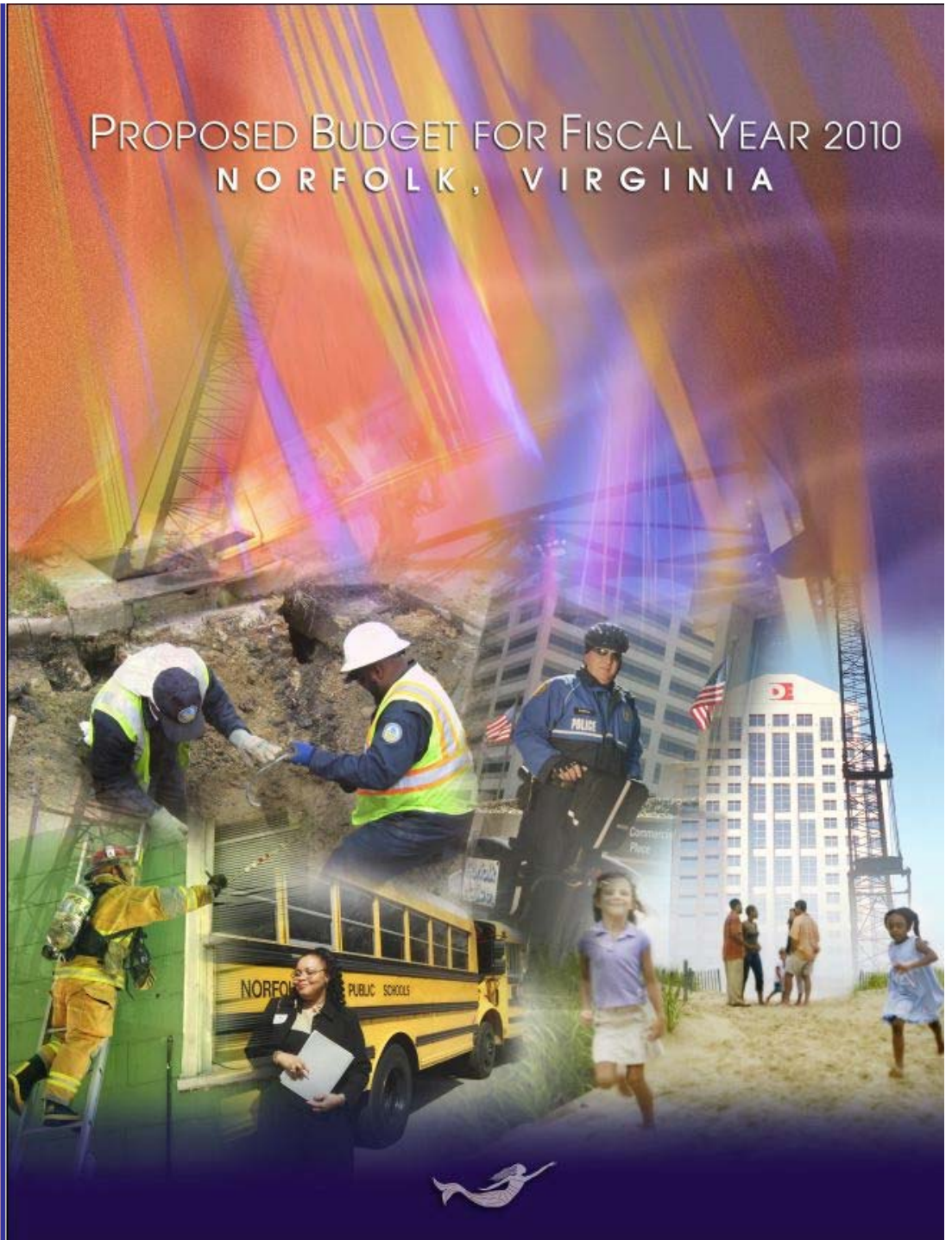


City of Norfolk Proposed Budget for FY 2010

April 7, 2009

PROPOSED BUDGET FOR FISCAL YEAR 2010
NORFOLK, VIRGINIA

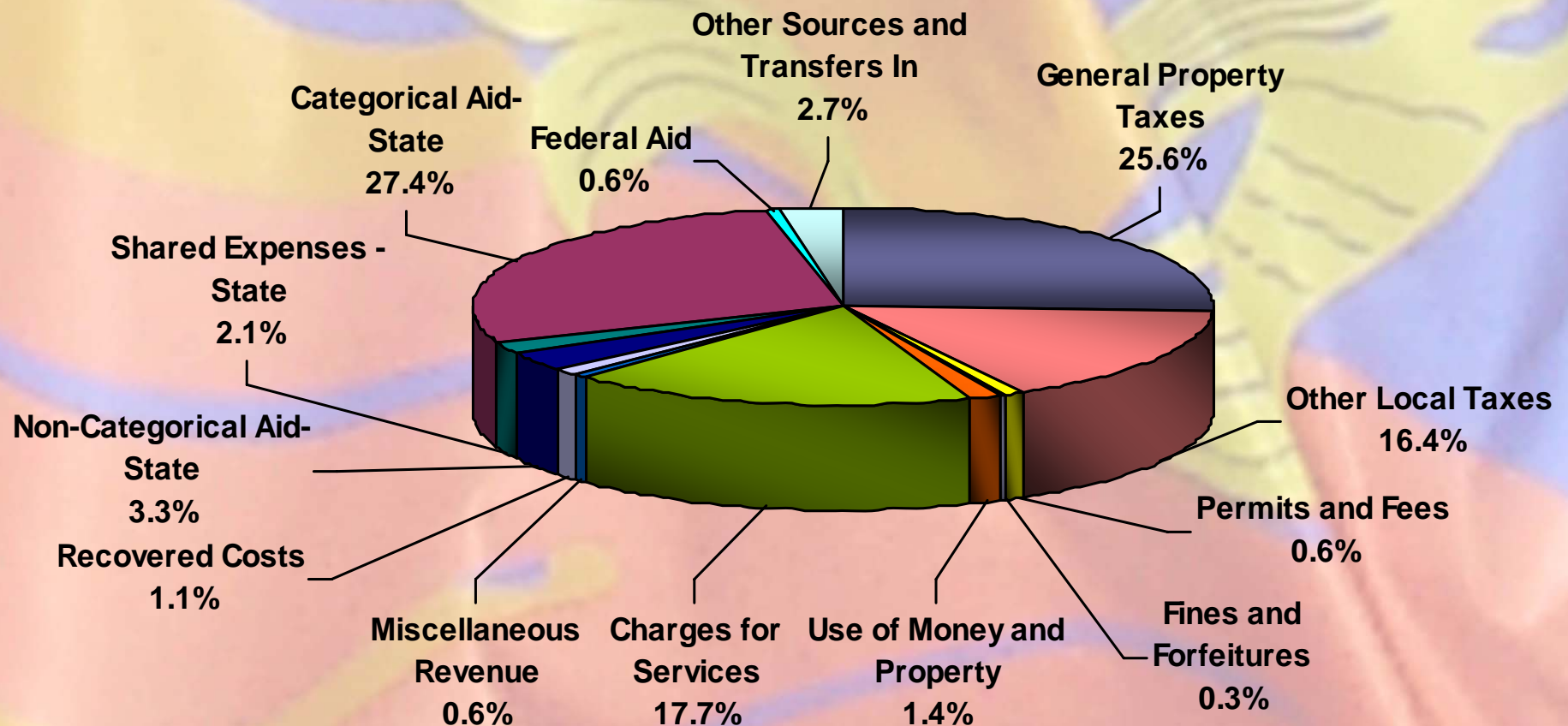


FY2010 Proposed Budget

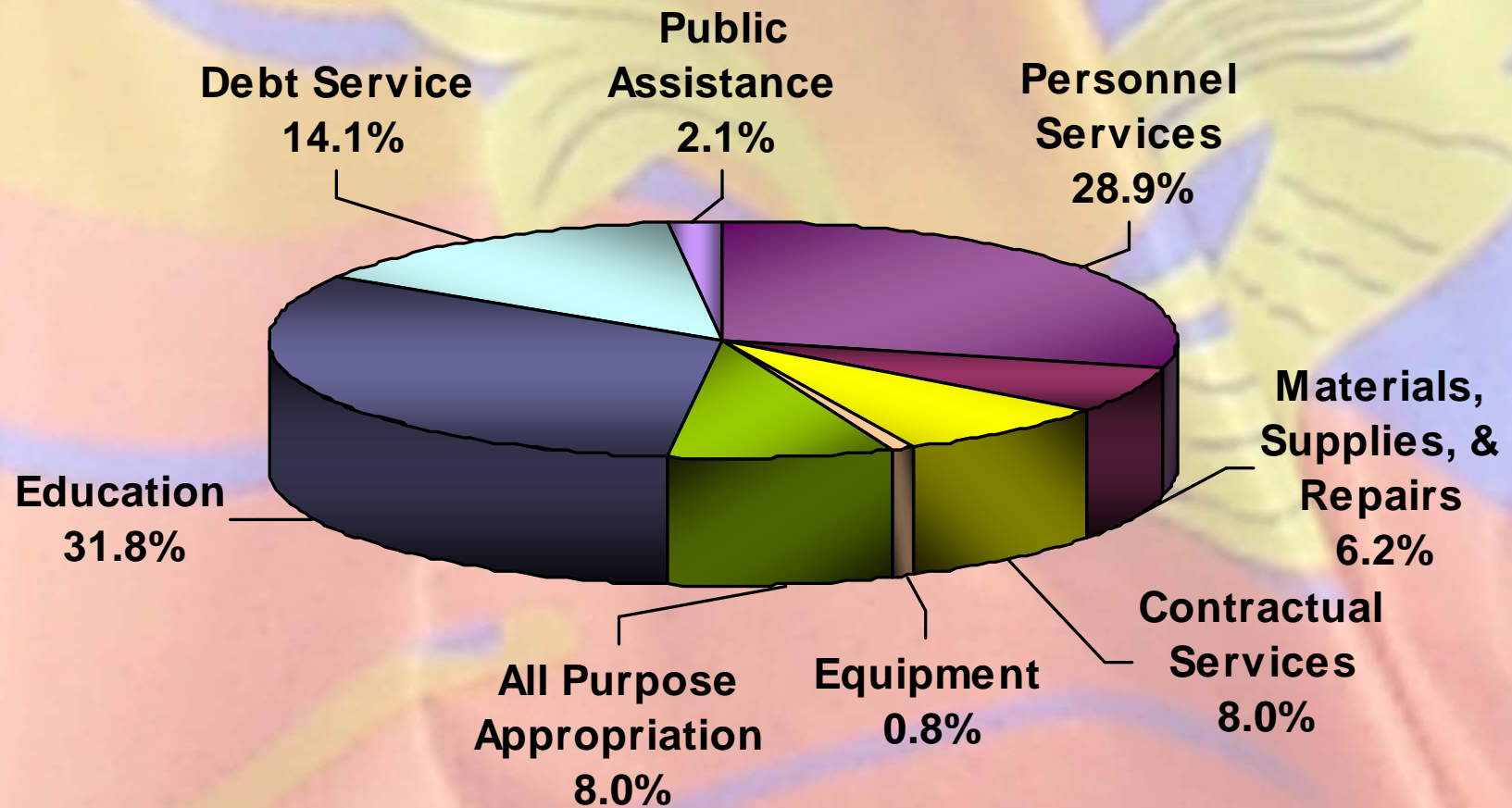
Budget Fund	FY 2010 Proposed
General Operating	\$824,082,500
Water Utility	\$78,477,246
Wastewater Utility	\$26,561,593
Storm Water Utility	\$11,160,265
Parking Facilities	\$22,241,902
Other Funds	<u>\$48,219,032</u>
Total Operating	\$1,010,742,538
Annual Capital Improvement Budget	\$160,393,568
Grand Total Operating & Capital	<u>\$1,171,136,106</u>

All Funds Revenue Sources

\$1,010,742,538

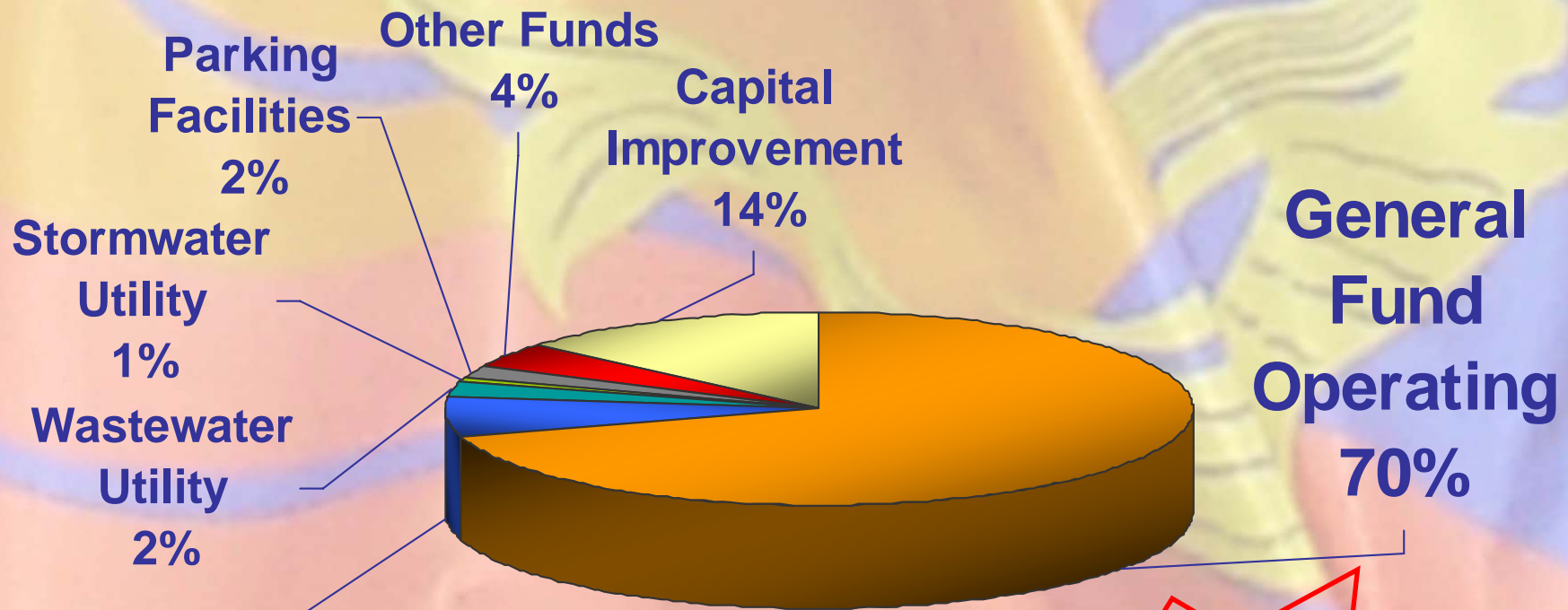


All Funds Expenditures



FY 2010 Proposed Budget

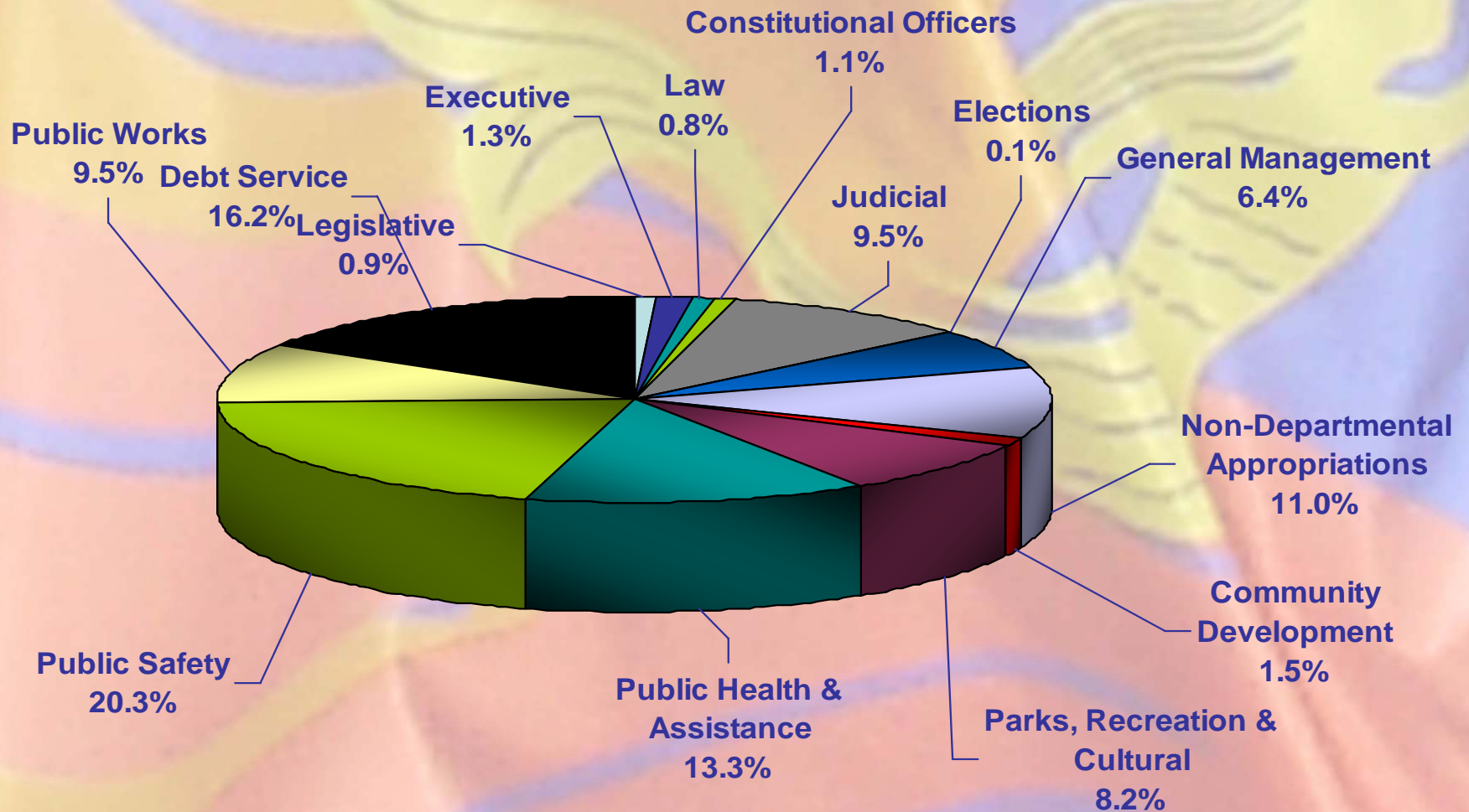
\$1,171,136,106



\$824,082,500

General Fund Operating Budget

\$824,082,500



The Reality

- FY2010 Proposed Budget is the first net decrease in 16 years.
 - -0.4% less than FY 2009 Adopted Budget
- The international recession has severely impacted residents and businesses.
- Increased cost of providing services.



Real Estate Assessments

- Overall: 2.2% growth
 - Residential down 1.35%
 - Commercial up 10.14%
- Revenue growth \$4,383,438



Causes for Financial Dilemmas

- State Reductions
 - \$2.8 billion shortfall in FY2009 and FY2010
 - Norfolk impact: \$7 million less from the State
- Other lower revenues
 - Sales tax decline by \$2 million
- Cost of service continues to increase
 - Healthcare Insurance Premium Increase
- Falling Investment Earnings

Initial Budget Gap of 34.8 million

	February 2009
Revenue	
• Local Revenue	\$465,100,000
• State Revenue	319,700,000
• Other Sources/Transfers	16,300,000
Revenue (total)	801,100,000
Projected Expenditures	835,900,000
Gap	(34,800,000)



Closing the Budget Gap

To Evaluate Budget Gap Proposal Principles Used

- Ensure Financial Integrity
- Support Healthy Community (Residents & Businesses)
- Preserve Our Neighborhoods



Closing the Gap

- No use of the “Rainy Day” fund
- No use of one-time funds for ongoing expenditures therefore Budget is structurally balanced



Closing the Gap



- Retain real estate rate at \$1.11
- No new taxes or fees
- Limited fee increases
 - Water, Wastewater and Stormwater-built in
 - SPSA (solid waste disposal)-non-discretionary

Cost Containment & Efficiencies

- Computers and lights off
- Fuel and energy
 - Reduced electrical rate because of deleted fuel surcharge
- Travel and Training reduced
- Reduced size of fleet and take-home vehicle
- Organizational realignments
 - Merge Budget & Grants Management
 - Physical relocations to better utilize less support staff

Personnel

- Eliminated 64 positions of which 59 are General Fund. Of the 59:
 - 57 Vacant Positions
 - 2 Filled Positions
- No layoffs - reassignments for 2 employees in filled positions





Education Funds



- Total Budget: \$321,186,400
- Local Contribution: \$101,011,200 which is \$3.5 million less than FY09.
 - Projected year end funds to roll into FY2010 at \$6.6 million and stimulus funds will allow reasonable budget for FY 2010.
 - Will have challenges in 2011 as one-time funds will need backfill or reduced expenditures.

Recap of NPS Funding

Local Contribution	\$ 101M
Crossroads Elementary	\$ 2M
Infrastructure Maintenance Funds	\$ 2.5M
Police Resource Officers, School Crossing Guards, School Nurses, Grounds Maintenance	\$ 3.4M
TOTAL	\$108.9M



Community

- Maintain current services at community centers and libraries
 - Still striving to increase hours around targeted youth programs
- \$3.5 million dedicated to four Neighborhood Plans
- \$4 million dedicated to conservation and redevelopment areas



Public Safety

- Continue programs to combat gang activity
- Potential Federal Stimulus Funds up to \$1.4 million
 - Saving Our Children
 - Youth Outreach Workers, Family Social Workers
 - Metal detectors and ID cards for schools
 - Additional Assistant Commonwealth's Attorney
 - Shot spotter system pilot in Park Place
- COPS Grant will be used to fund officers for the gang unit and hot spot crime areas



City Employees

- No General Wage Increases
- No Step Increases
- 1% Salary Rollback = 3 day furlough
 - Reinstate when economy improves

City Employees

- City absorb healthcare insurance rate increase

Personnel Reduction Options: Impact on the Average Employee		
Reduction Type	Impact on Average Salary* Employee Paycheck	One-Year Impact on Employee
Rollback 1% GWI	\$18	\$442
Most Popular Healthcare Plan for Single Employee	\$20	\$478
Most Popular Healthcare Plan for a Family	\$64	\$1,531

* \$44,338

Outside Agency Support

- Deleted funding for Hampton Roads Film Office
- Deleted funding for Hampton Roads Sports Commission
- Level funding for Community Partners such as Festevents, EVMS, Human Service Grants, Arts & Humanities Grants and others.





Capital Improvement Plan

Proposed CIP

- No new major projects
- Exception of modest street improvements to complement EVMS' new Medical Building & Campus Master Plan-\$2.2 million
- Projects currently underway
- Projects that represent community priorities



Proposed CIP (cont'd)

- Projects that are a result of local, state or federal mandates
- Projects that enable the City to maintain existing assets
- Continue, but no additional funding in FY2010 for the Light Rail project



Proposed CIP (cont'd)

- Continue, but reduce FY2010 funding from planned \$40M to \$20M for the new Courthouse project
- Improvements for Bridges \$3.2 million
- Intersection and school crossings \$350,000



Proposed CIP (cont'd)

- Maintain funds for basic prevention maintenance, repairs to facilities, streets, sidewalks, light replacements and other routine care of infrastructure.



Conclusion

- Norfolk's history of planning and sound fiscal management continues to serve us well
- Continuous review and analysis of
 - Effective delivery
 - Spending accountability
 - Openness

Thank you
to a great
staff.

April 7, 2009

